

## Message Text

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ACTION NEA-10

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-05 H-01 INR-07  
L-03 NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15  
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R 291545Z SEP 77  
FM AMEMBASSY DAMASCUS  
TO SECSTATE WASHDC 5047  
INFO AMEMBASSY AMMAN  
AMEMBASSY BEIRUT POUCH  
AMEMBASSY CAIRO  
AMEMBASSY JIDDA  
AMEMBASSY TEL AVIV

C O N F I D E N T I A L DAMASCUS 6171

E.O. 11652: GDS  
TAGS: PINT, SY  
SUBJECT: MORE CORRUPTION

1. SUMMARY: SYRIAN PRESS ANNOUNCED THAT 28 PEOPLE HAVE NOW BEEN ARRESTED IN ANTI-CORRUPTION CAMPAIGN AND THAT RESULTS WILL SOON BE MADE PUBLIC. PUBLICIZED INVESTIGATIONS CONTINUE TO FOCUS ON BUSINESS COMMUNITY WHILE REAL POLITICAL STRUGGLE GOES ON BEHIND THE SCENES. EXTRAORDINARY BAATH PARTY REGIONAL CONFERENCE WILL BE CALLED SOON TO ELECT A NEW COMMAND. PRESIDENT ASSAD, MEANWHILE, IS COMING UNDER GREAT PRESSURE TO LET THE BIG FISH GO. END SUMMARY

2. ON SEPT 26 THE SYRIAN PRESS ANNOUNCED THAT THOSE ARRESTED IN THE ANTI-CORRUPTION CAMPAIGN NOW NUMBERED 28 (NO NAMES GIVEN). TISHRIIN, WHOSE EDITOR GHASSAN RIFAI TOLD POLOFF HAS SPECIAL ACCESS COMPARED TO OTHER PAPERS TO AUTHORITIES RESPONSIBLE FOR ANTI-CORRUPTION CAMPAIGN MATTERS, REPORTED THAT THE INVESTIGATION OF THE COW STATION, THE SPRINKLE IRRIGATION  
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SYSTEM, THE GLASS AND WOOD SECTORS HAVE NOW BEEN COMPLETED, BUT NONE OF THE DETAINEES HAVE BEEN RELEASED. EMBASSY INFORMED, HOWEVER, THAT YUSSEF HADID, BROTHER OF REGIONAL COMMAND MEMBER MAHOMOUD WHO ON ORIGINAL LIST OF DETAINEES IS NOT IMPRISONED. NEW INVESTIGATIONS HAVE BEEN OPENED ON FERTILIZER PLANS, THE HOUSING ASSOCIATION OF THE QANAWAT QUARTER, TIRE PLANT, PORTS, AND THE SATELLITE STATION.

ACCORDING TO TISHRIIN THE INVESTIGATIVE COMMITTEE HAS DECIDED TO RELEASE THE RESULTS OF THE INVESTIGATION SHORTLY.

2. THE CAMPAIGN CONTINUES TO HAVE VERY UNSETTLING EFFECT ON BUSINESS COMMUNITY. PRIVATE BUSINESS ACTIVITY IS VIRTUALLY PARALYZED AND RUMORS OF MASSIVE CAPITAL FLIGHT (TRUE BUT GROSSLY EXAGGERATED) ARE THREATENING STABILITY OF POUND. BUSINESSMEN'S UNCERTAINTY EXACERBATED BY SUSPECT SUICIDE OUT OF THE SIXTH FLOOR WINDOW BY THE BROTHER OF THE ARRESTED BUSINESSMAN ABD AL-RAHMAN ATTAR. WITH NO SUBSTANTIATION, STORY QUICKLY SPREAD THAT HIS DEATH WAS NOT SUICIDE BUT WAS POLITICAL MURDER TO KEEP HIM FROM TALKING ABOUT ILLEGAL ACTIVITIES OF RIF'AT AL-ASSAD WHO WAS KNOWN AS ATTAR'S PATRON, AMONG OTHERS. BUT REAL BUSINESS CONCERN IS MEMORIES OF THE NIGHTMARE PERIOD, 1963-65, OF NATIONALIZATION.

3. SURFACE PICTURE OF CAMPAIGN DIRECTED AT BUSINESS LEADERS AND PUBLIC COMPANY DIRECTORS APPEARS TO BE GLOSS FOR POLITICAL MANEUVERING WHICH IS GOING ON BEHIND CLOSED DOORS. WE UNDERSTAND THAT MFA WILL ISSUE SOME PERSONNEL DIRECTIVES ONCE FONMIN KHADDAM RETURNS TO DAMASCUS. SIXTEEN NEW AMBASSADORS WILL BE APPOINTED, OF WHOM ONLY SIX WILL BE PROFESSIONALS. THIS HAS LED TO SPECULATION THAT SOME KEY REGIME AND BAATH PARTY OFFICIALS WILL BE GIVEN GRACEFUL EXIT BY WAY OF AMBASSADORSHIPS, A CONFIDENTIAL

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TRADITIONAL SYRIAN METHOD FOR GETTING RID OF UNWELCOME POLITICIANS.

5. OF COURSE RIF'AT'S NAME CONTINUES TO BE AT THE TOP OF THE RUMOR MILL LIST FOR AN AMBASSADORIAL APPOINTMENT, BUT ONE STORY HAS IT THAT HE HAS REFUSED THIS WAY OUT. RUMOR OF RIF'AT'S DEPARTURE TO AMBASSADORIAL POST HAS MADE ROUNDS BEFORE, AND WE DOUBT THAT SUCH A NOVE IMMINENT. MEANWHILE, RIF'AT'S REGIONAL COMMAND NEMESIS, MUHAMMAD BAJBUJ, REAPPEARED AT THE EID AT-FITR PRAYER WITH PRESIDENT AND OTHER SENIOR OFFICIALS. RIF'AT WAS NOT TO BE SEEN AND HAS CONTINUED TO STAY OUT OF THE LIMELIGHT, THOUGH WE UNDERSTAND HE IS STILL IN DAMASCUS AND MEETS REGULARLY WITH AHMAD DIAB, THE CHAIRMAN OF THE INVESTIGATION INTO CORRUPTION.

6. BAJBUJ TOLD ALAWITE BUSINESSMAN THAT THE PRESIDENT WILL CALL AN EXTRAORDINARY BAATH PARTY REGIONAL CONFERENCE VERY SHORTLY TO CHANGE THE REGIONAL COMMAND. THIS APPEARS TO HAVE BEEN DECIDED IN THE RECENT MEETINGS OF THE COMMAND SEPT 19-20 WHEN THE MEMBERS ALSO MADE THE GESTURE OF DONATING THEIR PROPERTIES, OTHER THAN

THEIR PERSONAL HOUSES, TO THE STATE. THIS GESTURE, NO DOUBT, EXPLAINS WHY RIF'AT WAS BUSY SELLING HIS PROPERTY IN THE WEEKS BEFORE THE COMMAND MEETING.

6. NUMEROUS SYRIANS TELL US THAT BPRC MEMBERS HAYDAR AND AYYUBI WILL BE DROPPED FROM THE COMMAND. OTHERS SAY THE PRESIDENT CAN'T REMOVE HAYDAR BECAUSE HIS COUSIN IS THE COMMANDER OF THE SPECIAL FORCES AND HIS UNCLE IS THE PRESIDENT'S PERSONAL MILITARY ADVISOR. PROPONENTS OF THE HAYDAR OUSTER THEORY REPLY THAT SOME OF THE BITTEREST CONFLICTS HAVE OCCURRED WITHIN ALAWITE FAMILIES.

7. WE GATHER POWERFUL PRESSURE IS BUILDING ON ASSAD TO CURTAIL THE PRIMIN KHULAYFAWI DIRECTED CAMPAIGN AND  
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NOT TO LET IT TOUCH ASSAD'S INNER CIRCLE OF PARTY, SECURITY AND MILITARY COLLEAGUES, AND IT UNCLEAR, THUS FAR ANYWAY, WHETHER HE IS RESISTING THIS PRESSURE. ONE INDICATION HE IS STILL INTENT ON CAMPAIGN WAS HIS SUPPORT FOR KUHLAYFAWI IN DISBANDING SYRIAN ARAB AIRLINES BOARD OF DIRECTORS WHICH INCLUDED ASSAD'S CLOSEST ADVISOR, MUHAMMAD KHOULI. KHOULI'S POSITION ON BOARD GAVE HIM, AS WELL AS NAJI JAMIL, ACCESS TO FREE AIRLINE TICKETS, OVERSEAS JOBS, AND OTHER FAVORS WHICH THEY COULD BESTOW FOR POLITICAL PURPOSES. ASSAD'S INTENTIONS, HOWEVER, REMAIN OBSCURE. AS ONE SYRIAN JOURNALIST SAID "I AM SURE ASSAD HAS A PLAN, I JUST WISH I COULD FIGURE OUT WHAT IT IS.". PELLETREAU

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## Message Attributes

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